



February 22, 2002

ENGROSSED SENATE BILL No. 318

DIGEST OF SB 318 (Updated February 20, 2002 12:15 PM - DI 94)

Citations Affected: IC 4-4; IC 6-1.1; IC 36-7; noncode.

Synopsis: Enterprise zones. Provides that the president of the Association of Indiana Enterprise Zones or an enterprise zone executive director designated by the president shall serve as a nonvoting, advisory member of the enterprise zone board. Allows a county or municipal redevelopment commission to sell or grant real property without a public bidding process to an urban enterprise association or a community development corporation if certain conditions are met. Specifies that a county or municipal redevelopment commission must decide at a public meeting whether to sell or grant real property to an urban enterprise association.

Effective: July 1, 2002.

**Skillman, Blade, Smith S, Alting,
Bowser**

(HOUSE SPONSORS — KLINKER, POND)

January 8, 2002, read first time and referred to Committee on Energy and Economic Development.

January 29, 2002, amended, reported favorably — Do Pass.

February 1, 2002, read second time, ordered engrossed. Engrossed.

February 4, 2002, read third time, passed. Yeas 50, nays 0.

HOUSE ACTION

February 11, 2002, read first time and referred to Committee on Local Government.

February 21, 2002, amended, reported — Do Pass.

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ES 318—LS 7014/DI 101+



February 22, 2002

Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

ENGROSSED SENATE BILL No. 318

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 4-4-6.1-1, AS AMENDED BY P.L.120-1999,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2002]: Sec. 1. (a) There is created a ~~nineteen (19)~~ **twenty (20)**
4 member enterprise zone board, referred to as the "board" in this
5 chapter. The board consists of fifteen (15) voting members and ~~four (4)~~
6 **five (5)** nonvoting, advisory members. The members described in
7 subsection (b)(1) through (b)(9) serve for four (4) year terms, except
8 that for the initial appointments to the board, six (6) members shall be
9 appointed for two (2) year terms. Not more than ten (10) members may
10 be from the same political party. The presence of at least eight (8)
11 voting members is required to have a quorum for board meetings.
12 (b) The governor shall appoint fifteen (15) enterprise zone board
13 members as follows:
14 (1) A representative of business.
15 (2) A representative of labor.
16 (3) A representative of the fire prevention and building safety
17 commission.

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- (4) A representative of minority business.
- (5) A representative of small business.
- (6) A representative of a neighborhood association.
- (7) A representative of municipal government.
- (8) A representative of the state department of health.
- (9) The lieutenant governor or his designee.
- (10) A representative of the department of state revenue.
- (11) A representative of the ~~state board of tax commissioners~~
department of local government finance.
- (12) A representative of the department of environmental management.
- (13) A representative of the Indiana development finance authority.
- (14) A representative of the Indiana business modernization and technology corporation.
- (15) A representative of the department of workforce development.
- (c) The president pro tempore of the state senate shall appoint two (2) state senators to the enterprise zone board.
- (d) The speaker of the house of representatives shall appoint two (2) state representatives to the enterprise zone board.
- (e) **The president of the Association of Indiana Enterprise Zones or the president's designee shall serve as a nonvoting, advisory member of the board. A member designated by the president of the Association of Indiana Enterprise Zones under this subsection:**
- (1) **must be the executive director of an enterprise zone designated under this chapter; and**
- (2) **shall serve on the board until the member:**
- (A) **is dismissed by the president of the Association of Indiana Enterprise Zones under subsection (g); or**
- (B) **no longer serves as the executive director of an enterprise zone designated under this chapter.**
- (f) The ~~four (4)~~ legislative **five (5)** members appointed under subsections (c), ~~and~~ (d), **and (e)** are the nonvoting, advisory members of the board.
- (~~f~~) (g) Members may be dismissed only by the appointing authority and only for just cause. The governor shall fill any vacancy as it occurs for the remainder of the term.
- (~~g~~) (h) The governor shall designate a chairman and vice chairman every two (2) years in the month in which the first meeting of the board is held or whenever a vacancy occurs.
- (~~h~~) (i) The board by rule shall provide for the conduct of its business

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1 and the performance of its duties.

2 ~~(j)~~ **(j)** The department of commerce shall serve as the staff of the
3 board. If an urban enterprise association created under section 4 of this
4 chapter requests copies of forms filed with the board, the department
5 of commerce shall forward copies of the requested forms to the urban
6 enterprise association.

7 ~~(k)~~ **(k)** Except as provided in subsection ~~(k)~~ **(l)**, a nonlegislative
8 member is entitled to the minimum salary per diem as provided in
9 IC 4-10-11-2.1(b) while performing his duties. Such a member is also
10 entitled to reimbursement for traveling expenses and other expenses
11 actually incurred in connection with his duties, as provided in the state
12 travel policies and procedures established by the Indiana department
13 of administration and approved by the budget agency.

14 ~~(l)~~ **(l)** If a nonlegislative member of the board is an elected public
15 official of local government, the member shall not be paid a salary.
16 However, the board member shall be reimbursed for necessary
17 expenses that are incurred in the performance of official duties.

18 ~~(m)~~ **(m)** A legislative member is entitled to reimbursement as
19 provided by law for traveling expenses and other expenses actually
20 incurred in connection with his duties.

21 SECTION 2. IC 4-4-6.1-5 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 5. (a) An urban
23 enterprise association shall do the following:

- 24 (1) Coordinate zone development activities.
- 25 (2) Serve as a catalyst for zone development.
- 26 (3) Promote the zone to outside groups and individuals.
- 27 (4) Establish a formal line of communication with residents and
28 businesses in the zone.
- 29 (5) Act as a liaison between residents, businesses, the
30 municipality, and the board for any development activity that may
31 affect the zone or zone residents.

32 (b) An urban enterprise association may do the following:

- 33 (1) Initiate and coordinate any community development activities
34 that aid in the employment of zone residents, improve the
35 physical environment, or encourage the turnover or retention of
36 capital in the zone. These additional activities include but are not
37 limited to recommending to the municipality the manner and
38 purpose of expenditure of funds generated under
39 IC 36-7-14-39(g) or IC 36-7-15.1-26(g).
- 40 (2) Recommend that the board modify a zone boundary or
41 disqualify a zone business from eligibility for one (1) or more
42 benefits or incentives available to zone businesses.



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(3) Incorporate as a not-for-profit corporation. Such a corporation may continue after the expiration of the zone in accordance with the general principles established by this chapter. **An urban enterprise association that incorporates as a not-for-profit corporation under this subdivision may purchase or receive real property from a redevelopment commission under IC 36-7-14-22.2 or IC 36-7-15.1-15.2.**

(c) The U.E.A. may request, by majority vote, the legislative body of the municipality in which the zone is located to modify or waive any municipal ordinance or regulation that is in effect in the zone. The legislative body may, by ordinance, waive or modify the operation of the ordinance or regulation, if that ordinance or regulation does not affect health (including environmental health), safety, civil rights, or employment rights.

(d) The U.E.A. may request, by majority vote, the enterprise zone board to waive or modify any state rule that is in effect in the zone. The board shall review the request and may approve, modify, or reject it. Approval or modification by the board shall take place after review by the appropriate state agency. A modification may include but is not limited to establishing different compliance or reporting requirements, timetables, or exemptions in the zone for a business or individual, to the extent that the modification does not adversely affect health (including environment health), safety, employment rights, or civil rights. An approval or modification of a state rule by the board takes effect upon the approval of the governor. In no case are the provisions of IC 22-2-2 and IC 22-7-1-2 mitigated by this chapter.

SECTION 3. IC 6-1.1-25-9, AS AMENDED BY P.L.73-2001, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 9. (a) When a county acquires title to real property under IC 6-1.1-24 and this chapter, the county may dispose of the real property under IC 36-1-11 or subsection (e). The proceeds of any sale under IC 36-1-11 shall be applied as follows:

(1) First, to the cost of the sale or offering for sale of the real property, including the cost of:

- (A) maintenance;
- (B) preservation;
- (C) administration of the property before the sale or offering for sale of the property;
- (D) unpaid costs of the sale or offering for sale of the property;
- (E) preparation of the property for sale;
- (F) advertising; and
- (G) appraisal.



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(2) Second, to any unrecovered cost of the sale or offering for sale of other real property in the same taxing district acquired by the county under IC 6-1.1-24 and this chapter, including the cost of:

(A) maintenance;

(B) preservation;

(C) administration of the property before the sale or offering for sale of the property;

(D) unpaid costs of the sale or offering for sale of the property;

(E) preparation of the property for sale;

(F) advertising; and

(G) appraisal.

(3) Third, to the payment of the taxes on the real property that were removed from the tax duplicate under section 4(c) of this chapter.

(4) Fourth, any surplus remaining into the county general fund.

(b) The county auditor shall file a report with the board of commissioners before January 31 of each year. The report must:

(1) list the real property acquired under IC 6-1.1-24 and this chapter; and

(2) indicate if any person resides or conducts a business on the property.

(c) The county auditor shall mail a notice by certified mail before March 31 of each year to each person listed in subsection (b)(2). The notice must state that the county has acquired title to the tract the person occupies.

(d) If the county determines under IC 36-1-11 that any real property so acquired should be retained by the county, then the county shall not dispose of the real property. The county executive may repair, maintain, equip, alter, and construct buildings upon the real property so retained in the same manner prescribed for other county buildings.

(e) The county may transfer title to real property described in subsection (a) to the redevelopment commission at no cost to the commission for sale or grant under ~~IC 36-7-14-22.1~~ or **IC 36-7-14-22.2**, IC 36-7-15.1-15.1, or **IC 36-7-15.1-15.2**.

SECTION 4. IC 36-7-14-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 22. (a) This section does not apply to the sale or grant of real property or interests in real property to ~~neighborhood development corporations~~ **urban enterprise associations or community development corporations** under section ~~22.1~~ **22.2** of this chapter. The provisions of this section concerning publication and bidding procedures do not apply to sales, leases, or other dispositions of real property to other public agencies for public

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1 purposes.

2 (b) Before offering for sale or lease to the public any of the real
3 property acquired, the redevelopment commission shall cause two (2)
4 separate appraisals of the sale value, or rental value in case of a lease,
5 to be made by independent appraisers. However, if the real property is
6 less than five (5) acres in size and the fair market value of the real
7 property or interest has been appraised by one (1) independent
8 appraiser at less than ten thousand dollars (\$10,000), the second
9 appraisal may be made by a qualified employee of the department of
10 redevelopment. In making appraisals, the appraisers shall take into
11 consideration the size, location, and physical condition of the parcels,
12 the advantages accruing to the parcels under the redevelopment plan,
13 and all other factors having a bearing on the value of the parcels. The
14 appraisals are solely for the information of the commission, and are not
15 open for public inspection.

16 (c) The redevelopment commission shall then prepare an offering
17 sheet showing the parcels to be offered and the offering prices, which
18 may not be less than the average of the two (2) appraisals. Copies of
19 the offering sheets shall be furnished to prospective buyers on request.
20 Maps and plats showing the size and location of all parcels to be
21 offered shall also be kept available for inspection at the office of the
22 department.

23 (d) A notice shall be published in accordance with IC 5-3-1. The
24 notice must state that at a designated time the commission will open
25 and consider written offers for the purchase or lease of the real property
26 being offered. In giving the notice it is not necessary to describe each
27 parcel separately, or to specify the exact terms of disposition, but the
28 notice:

- 29 (1) must state the general location of the parcels;
- 30 (2) call attention generally to any limitations on the use to be
- 31 made of the real property offered; and
- 32 (3) state that a bid submitted by a trust (as defined in
- 33 IC 30-4-1-1(a)) must identify each:
- 34 (A) beneficiary of the trust; and
- 35 (B) settlor empowered to revoke or modify the trust.

36 (e) At the time fixed in the notice the commission shall open and
37 consider any offers received. These offers may consist of consideration
38 in the form of cash, other property, or a combination of cash and other
39 property. However, with respect to property other than cash, the offer
40 must be accompanied by evidence of the property's fair market value
41 that is satisfactory to the commission in its sole discretion. All offers
42 received shall be opened at public meetings of the commission and



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1 shall be kept open for public inspection.

2 (f) The commission may reject any bids and may make awards to the
3 highest and best bidders. In determining the best bids, the commission
4 shall take into consideration the following factors:

5 (1) The size and character of the improvements proposed to be
6 made by the bidder on the real property bid on.

7 (2) The bidder's plans and ability to improve the real property
8 with reasonable promptness.

9 (3) Whether the real property when improved will be sold or
10 rented.

11 (4) The bidder's proposed sale or rental prices.

12 (5) The bidder's compliance with subsection (d)(3).

13 (6) Any factors that will assure the commission that the sale or
14 lease, if made, will further the execution of the redevelopment
15 plan and best serve the interest of the community, from the
16 standpoint of both human and economic welfare.

17 (g) The commission may contract with a bidder in regard to the
18 factors listed in subsection (f), and the contract may provide for the
19 deposit of surety bonds, the making of good faith deposits, liquidated
20 damages, the right of repurchase, or other rights and remedies if the
21 bidder fails to comply with the contract.

22 (h) After the opening and consideration of the written offers filed in
23 response to the notice, the commission may dispose of the remainder
24 of the available real property either at public sale or by private
25 negotiation carried on by the commission, its regular employees, or real
26 estate experts employed for that purpose. For a period of thirty (30)
27 days after the opening of the written offers, no sale or lease may be
28 made at a price or rental less than that shown on the offering sheet,
29 except in the case of sales or rentals of ten (10) or more parcels to a
30 purchaser or lessee who agrees to improve the parcels immediately, but
31 after that period the commission may adjust the offering prices in the
32 manner the commission considers necessary to further the
33 redevelopment plan.

34 (i) A conveyance under this section may not be made until the
35 agreed consideration has been paid, unless the redevelopment
36 commission passes a resolution expressly providing that the
37 consideration does not have to be paid before the conveyance is made.
38 In addition, such a resolution may provide for a mortgage or other
39 security. All deeds, leases, land sale contracts, or other conveyances,
40 and all contracts and agreements, including contracts of purchase and
41 sale and contracts for advancements, loans, grants, contributions, or
42 other aid, shall be executed in the name of the "City (or Town or

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County) of _____, Department of Redevelopment", and shall be signed by the president or vice president of the redevelopment commission and attested by its secretary. A seal is not required on these instruments or any other instruments executed in the name of the department.

SECTION 5. IC 36-7-14-22.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 22.2. (a) The commission may sell or grant, at no cost, title to real property to an urban enterprise association for the purpose of developing the real property if the following requirements are met:**

(1) The urban enterprise association has incorporated as a not-for-profit corporation under IC 4-4-6.1-5(b)(3).

(2) The parcel of property to be sold or granted is located entirely within the enterprise zone for which the urban enterprise association was created under IC 4-4-6.1-4.

(3) The urban enterprise association agrees to cause development on the parcel of property within a specified period that may not exceed five (5) years from the date of the sale or grant.

(4) The urban enterprise association agrees to rehabilitate or otherwise develop the property in a manner that is similar to and consistent with the use of the other properties in the enterprise zone.

(b) The commission may sell or grant, at no cost, title to real property to a community development corporation (as defined in IC 4-4-28-13) for the purpose of providing low or moderate income housing or other development that will benefit or serve low or moderate income families if the following requirements are met:

(1) The community development corporation has as a major corporate purpose and function the provision of housing for low and moderate income families within the geographic area in which the parcel of real property is located.

(2) The community development corporation agrees to cause development that will serve or benefit low or moderate income families on the parcel of real property within a specified period, which may not exceed five (5) years from the date of the sale or grant.

(3) The community development corporation agrees that the community development corporation and each applicant, recipient, contractor, or subcontractor undertaking work in connection with the real property will:



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(A) use lower income project area residents as trainees and as employees; and

(B) contract for work with business concerns located in the project area or owned in substantial part by persons residing in the project area;

to the greatest extent feasible, as determined under the standards specified in 24 CFR 135.

(4) The community development corporation agrees to rehabilitate or otherwise develop the property in a manner that is similar to and consistent with the use of the other properties in the area served by the community development corporation.

(c) To carry out the purposes of this section, the commission may secure from the county under IC 6-1.1-25-9(e) parcels of property acquired by the county under IC 6-1.1-24 and IC 6-1.1-25.

(d) Before offering any parcel of property for sale or grant, the fair market value of the parcel of property must be determined by an appraiser, who may be an employee of the department. However, if the commission has obtained the parcel in the manner described in subsection (c), an appraisal is not required. An appraisal under this subsection is solely for the information of the commission and is not available for public inspection.

(e) The commission must decide at a public meeting whether the commission will sell or grant the parcel of real property. In making this decision, the commission shall give substantial weight to the extent to which and the terms under which the urban enterprise association or community development corporation will cause development on the property.

(f) Before conducting a meeting under subsection (d), the commission shall publish a notice in accordance with IC 5-3-1 indicating that at a designated time the commission will consider selling or granting the parcel of real property under this section. The notice must state the general location of the property, including the street address, if any, or a common description of the property other than the legal description.

(g) If the county agrees to transfer a parcel of real property to the commission to be sold or granted under this section, the commission may conduct a meeting to sell or grant the parcel to an urban enterprise zone or to a community development corporation even though the parcel has not yet been transferred to the commission. After the hearing, the commission may adopt a

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1 resolution directing the department to take appropriate steps
 2 necessary to acquire the parcel from the county and to transfer the
 3 parcel to the urban enterprise association or to the community
 4 development corporation.

5 (h) A conveyance of property under this section shall be made
 6 in accordance with section 22(i) of this chapter.

7 (i) An urban enterprise association that purchases or receives
 8 real property under this section shall report the terms of the
 9 conveyance to the enterprise zone board created under IC 4-4-6.1-1
 10 not later than thirty (30) days after the date the conveyance of the
 11 property is made.

12 SECTION 6. IC 36-7-15.1-15 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 15. (a) This section
 14 does not apply to the sale or grant of real property or interests in real
 15 property to:

16 (1) nonprofit corporations, ~~or community development~~
 17 ~~corporations, or~~ neighborhood development corporations under
 18 section 15.1 of this chapter; ~~or~~

19 (2) an urban enterprise association under section 15.2 of this
 20 chapter.

21 The provisions of this section concerning appraisal, publication, and
 22 bidding requirements do not apply to sales, leases, or other dispositions
 23 of real or personal property or interests in property to other public
 24 agencies, including the federal government or any agency or
 25 department of the federal government, for public purposes.

26 (b) Before offering for sale, exchange, or lease (or a combination of
 27 methods) to the public any of the property or interests acquired, the
 28 commission shall cause two (2) separate appraisals of the fair market
 29 value to be made by independent appraisers. However, if the property
 30 is less than five (5) acres in size and the fair market value of the real
 31 property or interest has been appraised by one (1) independent
 32 appraiser at less than ten thousand dollars (\$10,000), the second
 33 appraisal may be made by a qualified employee of the department. In
 34 the case of an exchange, the same appraiser may not appraise both of
 35 the properties to be exchanged. In making appraisals, the appraisers
 36 shall take into consideration the size, location, and physical condition
 37 of the parcels, the advantages accruing to the parcels under the
 38 redevelopment plan, and all other factors having a bearing on the value
 39 of the parcels. The appraisals are solely for the information of the
 40 commission and are not open for public inspection.

41 (c) The commission shall then prepare an offering sheet showing the
 42 parcels to be offered and the offering prices, which may not be less

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than the average of the two (2) appraisals. Copies of the offering sheets shall be furnished to prospective buyers on request. Maps, plats, or maps and plats showing the size and location of all parcels to be offered shall also be kept available for inspection at the office of the department.

(d) A notice shall be published in accordance with IC 5-3-1. The notice must state that at a designated time the commission will open and consider written offers for the purchase or lease of the property or interests being offered. In giving the notice it is not necessary to describe each parcel separately, or to specify the exact terms of disposition, but the notice:

- (1) must state the general location of the parcels;
- (2) call attention generally to any limitations in the redevelopment or urban renewal plan on the use to be made of the real property offered; and
- (3) state that a bid submitted by a trust (as defined in IC 30-4-1-1(a)) must identify each:
 - (A) beneficiary of the trust; and
 - (B) settlor empowered to revoke or modify the trust.

(e) At the time fixed in the notice the commission shall open and consider any offers received. The offers may consist of consideration in the form of cash, other property, or a combination of cash and property. However, with respect to property other than cash, the offer must be accompanied by evidence of the property's fair market value that is satisfactory to the commission in the commission's sole discretion. All offers received shall be opened at public meetings of the commission and shall be kept open for public inspection.

(f) The commission may reject any or all bids or may make awards to the highest and best bidders. In determining the best bids, the commission shall take into consideration the following factors:

- (1) The size and character of the improvements proposed to be made by the bidder on the real property bid on.
- (2) The bidder's plans and ability to improve the real property with reasonable promptness.
- (3) Whether the real property when improved will be sold or rented.
- (4) The bidder's proposed sale or rental prices.
- (5) The bidder's compliance with subsection (d)(3).
- (6) Any factors that will assure the commission that the sale or lease, if made, will further the execution of the redevelopment plan and best serve the interest of the community, from the standpoint of both human and economic welfare.



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(g) The commission may contract with a bidder in regard to the factors listed in subsection (f), and the contract may provide for the deposit of surety bonds, the making of good faith deposits, liquidated damages, the right of reversion or repurchase, or other rights and remedies if the bidder fails to comply with the contract.

(h) After the opening, consideration, and determination of the written offers filed in response to the notice, the commission may dispose of all or part of the remaining available property or interests for any approved use, either at public sale or by private negotiation carried on by the commission, its regular employees, or real estate experts employed for that purpose. For a period of thirty (30) days after the opening of the written offers and determination on them, no sale, exchange, or lease may be made at a price or rental less than that shown on the offering sheet, except in the case of sales or rentals of:

(1) ten (10) or more parcels to a purchaser or lessee who agrees to improve the parcels immediately;

(2) parcels of property to individuals or families whose income is at or below the county's median income for individual and family income, respectively, for the purpose of constructing single family or two (2) family housing; or

(3) parcels of property to a contractor or developer for the purpose of constructing single family or two (2) family housing for individuals or families whose income is at or below the county's median income for individual and family income, respectively;

but after that period the commission may adjust the offering prices in the manner it considers necessary to further the redevelopment or urban renewal plan.

(i) A conveyance under this section may not be made until the agreed consideration has been paid, unless the commission adopts a resolution:

(1) stating that consideration does not have to be paid before the conveyance is made; and

(2) setting forth an arrangement for future payment of consideration or provision of an infrastructure credit against the consideration, or both.

If full consideration is not paid before the conveyance is made, the commission may use a land sale contract or mortgage to secure payment of the consideration or may accept as a credit against the agreed consideration a contractual obligation to perform public infrastructure work related to the property being conveyed. All deeds, land sale contracts, leases, or other conveyances, and all contracts and agreements, including contracts of purchase, sale, or exchange and

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1 contracts for advancements, loans, grants, contributions, or other aid,
 2 shall be executed in the name of the "City of _____, Department
 3 of Metropolitan Development", and shall be executed by the president
 4 or vice president of the commission or by the director of the department
 5 if authorized. A seal is not required on these instruments or any other
 6 instruments executed in the name of the department.

7 SECTION 7. IC 36-7-15.1-15.2 IS ADDED TO THE INDIANA
 8 CODE AS A NEW SECTION TO READ AS FOLLOWS
 9 [EFFECTIVE JULY 1, 2002]: **Sec. 15.2. (a) The commission may sell
 10 or grant, at no cost, title to real property to an urban enterprise
 11 association for the purpose of developing the real property if the
 12 following requirements are met:**

13 **(1) The urban enterprise association has incorporated as a
 14 not-for-profit corporation under IC 4-4-6.1-5(b)(3).**

15 **(2) The parcel of property to be sold or granted is located
 16 entirely within the enterprise zone for which the urban
 17 enterprise association was created under IC 4-4-6.1-4.**

18 **(3) The urban enterprise association agrees to cause
 19 development on the parcel of property within a specified
 20 period that may not exceed five (5) years from the date of the
 21 sale or grant.**

22 **(4) The urban enterprise association agrees to rehabilitate or
 23 otherwise develop the property in a manner that is similar to
 24 and consistent with the use of the other properties in the
 25 enterprise zone.**

26 **(b) To carry out the purposes of this section, the commission
 27 may secure from the county under IC 6-1.1-25-9(e) parcels of
 28 property acquired by the county under IC 6-1.1-24 and
 29 IC 6-1.1-25.**

30 **(c) Before offering any parcel of property for sale or grant, the
 31 fair market value of the parcel of property must be determined by
 32 an appraiser, who may be an employee of the department.
 33 However, if the commission has obtained the parcel in the manner
 34 described in subsection (b), an appraisal is not required. An
 35 appraisal under this subsection is solely for the information of the
 36 commission and is not available for public inspection.**

37 **(d) The commission must decide at a public meeting whether the
 38 commission will sell or grant the parcel of real property. In making
 39 this decision, the commission shall give substantial weight to the
 40 extent to which and the terms under which the urban enterprise
 41 association will cause development on the property.**

42 **(e) Before conducting a meeting under subsection (d), the**



1 commission shall publish a notice in accordance with IC 5-3-1
 2 indicating that at a designated time the commission will consider
 3 selling or granting the parcel of real property under this section.
 4 The notice must state the general location of the property,
 5 including the street address, if any, or a common description of the
 6 property other than the legal description.

7 (f) If the county agrees to transfer a parcel of real property to
 8 the commission to be sold or granted under this section, the
 9 commission may conduct a meeting to sell or grant the parcel to an
 10 urban enterprise zone even though the parcel has not yet been
 11 transferred to the commission. After the hearing, the commission
 12 may adopt a resolution directing the department to take
 13 appropriate steps necessary to acquire the parcel from the county
 14 and to transfer the parcel to the urban enterprise association.

15 (g) A conveyance of property to an urban enterprise association
 16 under this section shall be made in accordance with section 15(i) of
 17 this chapter.

18 (h) An urban enterprise association that purchases or receives
 19 real property under this section shall report the terms of the
 20 conveyance to the enterprise zone board created under IC 4-4-6.1-1
 21 not later than thirty (30) days after the date the conveyance of the
 22 property is made.

23 SECTION 8. [EFFECTIVE JULY 1, 2002] (a) If under
 24 IC 4-4-6.1-1(e), as amended by this act, the president of the
 25 Association of Indiana Enterprise Zones designates the executive
 26 director of an enterprise zone established under IC 4-4-6.1-3 to
 27 serve as a nonvoting, advisory member of the enterprise zone
 28 board created under IC 4-4-6.1-1, as amended by this act, the
 29 president shall make the designation to the enterprise zone board
 30 not later than September 1, 2002.

31 (b) This section expires January 1, 2003.

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y



SENATE MOTION

Mr. President: I move that Senators Blade and Smith S be added as coauthors of Senate Bill 318.

SKILLMAN

C
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p
y



COMMITTEE REPORT

Mr. President: The Senate Committee on Energy and Economic Development, to which was referred Senate Bill No. 318, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 8, line 35, after "decide" insert "**at a public meeting**".

Page 8, line 36, delete "property at a public meeting." and insert "**property.**".

Page 13, line 3, after "decide" insert "**at a public meeting**".

Page 13, line 4, delete "property at a public meeting." and insert "**property.**".

and when so amended that said bill do pass.

(Reference is to SB 318 as introduced.)

WEATHERWAX, Chairperson

Committee Vote: Yeas 8, Nays 0.

C
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Y



SENATE MOTION

Mr. President: I move that Senators Alting and Bowser be added as coauthors of Engrossed Senate Bill 318.

SKILLMAN

C
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y



COMMITTEE REPORT

Mr. Speaker: Your Committee on Local Government, to which was referred Senate Bill 318, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 5, line 15, before "Fourth" insert **"(4)"**.

Page 5, line 39, after "associations" insert **"or community development corporations"**.

Page 8, between lines 23 and 24, begin a new paragraph and insert:

"(b) The commission may sell or grant, at no cost, title to real property to a community development corporation (as defined in IC 4-4-28-13) for the purpose of providing low or moderate income housing or other development that will benefit or serve low or moderate income families if the following requirements are met:

(1) The community development corporation has as a major corporate purpose and function the provision of housing for low and moderate income families within the geographic area in which the parcel of real property is located.

(2) The community development corporation agrees to cause development that will serve or benefit low or moderate income families on the parcel of real property within a specified period, which may not exceed five (5) years from the date of the sale or grant.

(3) The community development corporation agrees that the community development corporation and each applicant, recipient, contractor, or subcontractor undertaking work in connection with the real property will:

(A) use lower income project area residents as trainees and as employees; and

(B) contract for work with business concerns located in the project area or owned in substantial part by persons residing in the project area;

to the greatest extent feasible, as determined under the standards specified in 24 CFR 135.

(4) The community development corporation agrees to rehabilitate or otherwise develop the property in a manner that is similar to and consistent with the use of the other properties in the area served by the community development corporation."

Page 8, line 24, delete "(b)" and insert **"(c)"**.

Page 8, line 28, delete "(c)" and insert **"(d)"**.

Page 8, line 32, delete "(b)" and insert **"(c)"**.



C
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Page 8, line 35, delete "(d)" and insert "(e)".

Page 8, line 39, after "association" insert "**or community development corporation**".

Page 8, line 40, delete "(e)" and insert "(f)".

Page 9, line 5, delete "(f)" and insert "(g)".

Page 9, line 8, after "zone" insert "**or to a community development corporation**".

Page 9, line 12, after "association" insert "**or to the community development corporation**".

Page 9, line 13, delete "(g)" and insert "(h)".

Page 9, line 13, delete "to an urban enterprise association".

Page 9, line 16, delete "(h)" and insert "(i)".

Page 9, line 25, after "corporations" insert ",".

Page 9, line 25, strike "or" and insert "**community development corporations, or**".

and when so amended that said bill do pass.

(Reference is to SB 318 as printed January 30, 2002.)

STEVENSON, Chair

Committee Vote: yeas 9, nays 0.

C
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